Response to points number 1-4

First I would like to refer separately to the patents mentioned in your response, and then I will also refer to these patents together in a summary.

1. Graves (US Pat. No:6,454,173):

Graves invention relates to a system which "provides an improvement over previous systems and methods of authorizing access to services in a card-terminal environment by providing for a system of protection and authorization which makes the system highly fraud-proof". (col 2 line 20).

The present invention does not use the card-terminal environment at all, and its purpose is not authorizing access to services, but to allow safe and convenient transactions for purchasing goods through the internet, telephone and so on.

Further more, "The system is comprised of a portable device such as a card, a peripheral device such as a terminal, and optionally, a remote host computer in the case of large systems". (col 2 line 24).

The present invention does not require physical/portable device such as card. The card mentioned in the present invention doesn't even have to exist physically, and as mentioned, the present invention does not need or use a terminal device.

"The invention comprises a system or the interchange of information comprising at least one portable electronic device; at least one terminal device; communication means connecting the portable device with the terminal device" (col 2 line 49).

The present invention does not any portable electronic device.

"The combining of the capability of an intelligent card co-operating with an intelligent terminal, a finger print scanning device, and optionally interfacing with host computer with a host computer to ensure maximum possible protection for a card user and a card issuer, is very desirable" (col 3 line 47).

It should be stressed that the present invention does not make use of an intelligent card co-operating with an intelligent terminal, or a finger print scanning device.

From all of the above, it can be understood that Grave's invention is different from the present invention and not related to it in its purposes or in its implementations. Combining Grave's in view of Herman in view of Gephart and further in view of Cohen will also not result the present invention as will be explained latter.

2. Herman (US Pat. No: 6,341,353)
"A preferred embodiment of the invention provides intelligent receipts, called Smart Receipts, that electronically document a transaction between two parties. Smart Receipts maintain a persistent connection between two parties following a successful online transaction. A trusted Agent on the Buyer's client system creates an order record which is stored in a database on a Trusted Agent Server. The order record starts the transaction process with the merchant." (col 1, line 50).

As can be understood from the quotation above, Herman's invention is related to an intelligent receipt which electronically document a transaction between two parties. The present invention relates to a virtual money card which can replace the use of a credit card in a transaction. Further more Herman's invention uses a trusted Agent on the Buyer's client system, while the present invention does not require a trusted Agent on the Buyer's client system, and in fact, in the present invention, the buyer does not even have to have a client or a system at all, since he may use the virtual card number to purchase goods over the phone. Even if the buyer uses the virtual money card over the internet, he doesn't have to have a special client system. The buyer uses the virtual money card in a resembling way to how it is done with a regular credit card today, and this fact gives the virtual money card an advantage since, the card's users don't have to install any special systems or software.

3. Gephart (US Pat. No:6,339,766)
Gephart's invention relates to "electronic transaction system in which an account number is activated for a limited period of time or for a limited number of transactions" (col 2, line 33).

"An account issuer establishes an account for the account holder and associates a regular account number and a limited-use account number with the account" (ABSTRACT – first page).

Gephart's invention is based on the association between a main account and a limited use account. Gephart's invention leans on the association between the two accounts. In the present invention there is no need for a connection or association at all between the users account and the virtual money card. In fact, in the preferred embodiment of the present invention a user doesn't even have to have any permanent account. A user can purchase a virtual card and pay for it in cash, or by credit card or by a check or in any other payment method that the issuing company will accept. The virtual money card can be bought like any other product or service.

"The account holder then uses the limited-use account number for the specified period of time or the specified number of transactions, after which the limited-use account number is deactivated until such time that the account holder again requests activation thereof Deactivation of the limited-use account number substantially prevents unauthorized persons from gaining unlimited access to the account." (ABSTRACT – first page).

Gephart enables the same limited account number be activated and deactivated according to the account holder decision. In the preferred embodiment of the present invention the virtual money card is always active until the money in the card is finished. Further more, in a preferred embodiment of the present invention a virtual money card turns worthless after the money in the card is finished and it is not used or activated again. There is also no need for connection or association between the virtual card and the users account, and as I mentioned before the virtual card holder doesn't even have to be the owner of a permanent account at all. Even a child at the age of 10 can have a virtual money card if his parent bought one for him, the same way that a parent can give his child a 100 dollar bill in cash, only that a virtual card can be used on the internet, on the telephone and even at the store. In one embodiment of the present invention a child (or an adult) can also buy a physical money card in stores and pay for it in cash, and the issuing company has no details of his bank account number.
While a permanent account requires details of the account holder to be saved in a computerized system (details like name, address, id number and so on), in a preferred embodiment of the present invention a virtual card only has to have a card number, an identifying code and a changing code (which the user gets when the virtual card is issued), while other detail are optional.
In addition, the present invention enables the virtual money card to change hands with the help of the changing code explained in the invention, something

that cannot be done with the permanent or with the limited account mentioned in Gephart's invention.
This makes the virtual money card be used like virtual cash money combined with a credit card.

As can be seen here, there are many significant differences between Gephart's invention and the present invention, which makes them two different inventions. Combining Grave's in view of Herman in view of Gephart and further in view of Cohen will also **not** result the present invention.

4. Cohen (US Pat. No:6,422,462)

"Customized credit and debit cards for issuance by a person or main cardholder, the cards being limited to use in transactions at selected vendors only" (ABSTRACT – first page).

"said financial card is further customized such that it is limited to use for only a particular type of transaction, said type of transaction being purchases, at predetermined vendors of a predetermined identity, such that said customized card will be valid at those predetermined vendors, and will not be valid at the other vendors accepting cards from that credit card company." (Cohen's first claim).

As also mentioned in your response Cohen teaches use of credit cards by cardholders only at designated vendors, which are also disposable.

In the present invention the virtual money card is **not** designated or limited to selected vendors, and not limited to a particular type of transaction. In fact, the present invention's object is for the "virtual card" to actually be used in the same concept as cash money is used today combined with credit card abilities, and with the ability to adjust to the revolution in technology. The virtual money card is actually virtual cash money combined with credit card abilities. Since real cash money cannot be used through the internet or the telephone, there is a need for a virtual money card/cash. The present invention combines credit card abilities with cash money abilities, creating the virtual money card abilities. A virtual money card can be used on the internet and on the telephone like a credit card, and can change hands like cash money even without existing in physical form. The virtual money card has the limitation of amount of money which is very much like a money bill on which the amount of money is always written. Combining these abilities makes the virtual money card very useful.

The virtual card holder is simply someone who "changed" his/her money for virtual money. For example a man bought a virtual card of 100 dollars. He pays to the issuing company 100 dollars in any payment method acceptable on him and on the issuing company, and gets a 100 dollar virtual card, which he can use for example in the internet, for one, two or even 20 transactions, until the 100 dollars are finished (in the preferred embodiment of the present invention there is no limit to the number of transactions).

As mentioned and described in the invention, the virtual card holder can even pass the card to someone else using the "changing code". This is just like in real cash money: anyone can give money to his friend, his son/daughter or anyone else. Passing money using the virtual money card is very simple. None of the inventions mentioned (Graves, Herman, Gephart or Cohen) support this unique safe money transferring.

As mentioned in the present invention passing money from person to person using the virtual card is done this way:

1. A customer contacts the issuing company and asks to buy a virtual card (for example, a card of 100 dollars).
2. The issuing company issues the virtual card and provides the customer with the card details: 1. Card number 2. Card identifier code 3. Card changing code (and any other detail is optional)
3. the customer gives these details to a second person to which he wants to give the money to.
4. The second person who now has the card details can now take full control on the card by calling the issuing company, and asking it to change the card details.
5. The issuing company will change the card details as asked, since the second person provided the changing code alone with the card details.
6. As a result of these actions the second person is the only card holder who knows the card details and therefore, the only card holder with full control over the card. The first person has no longer access or control over the card, therefore he is no longer the card holder.

The issuing company will only allow changing a card details to a person who has the card details including the **card changing code**. This way, a vendor which receives the card number and card identifier code cannot take control of the card since the purchaser never provides the vendor with the changing code.

None of the inventions mentioned (Graves, Herman, Gephart or Cohen) support this unique safe money transferring.

"since these cards are preferably all linked to the user's main credit card account" (col 13, line 33)

In Cohen invention, the card is linked to the user's main credit card account. In the present invention there is no need for the virtual card to be linked to any of the user's accounts. In fact, in the preferred embodiment of the present invention the card is bought like any other product. The user pays for a virtual money card, and the issuing company provides him with a new card details. The user may pay for the card in any acceptable way on the issuing company and on the user. For example the user may pay for the card in cash (this requires selling cards in physical stores or stands), the user may also pay by a bank deposit or by credit card. Although the issuing company might be a credit card company, it doesn't have to be this way. After the user paid for the card, there is no obligation to save his account number or credit card number in the issuing company's computerized system, or to link the card number to the user's account as done in Cohen's invention. This might be very important to users that do not want the issuing company to have access to their permanent account.
Even a child at the age of 10 can have a virtual money card if his parent bought one for him, the same way that a parent can give his child a 100 dollar bill in cash, only that a virtual card can be used on the internet, on the telephone and even at the store. In one embodiment of the present invention a child (or an adult) can also buy a physical money card in a store and pay for it in cash, and the issuing company has no details of his bank account number.

In Cohen's invention the disposable cards are generated for one time use "These credit cards or credit card numbers are generated for a one time, single transaction basis, after which they are disposed of, or thrown away" (col 2, line 35).

In the preferred embodiment of the present invention the card number is constant from the moment it is issued and until the money in the card is finished. During the card existence the card holder can use it for as many transactions he wishes. In one variation of the present invention the identifying code of the card is changing for each transaction, but the card number still remains constant. In another variation of the present invention, even the identifying code remains constant during the card existence, and the same card number and same card identifying code is used in all the transaction during the cards existence.

Cohen does not mention in his claims a method as claimed in the present invention. His claims refer to the use of credit cards by cardholders only at designated vendors, which are also disposable and/or customized.

Summary

The present invention combines credit card abilities with cash money abilities, creating the virtual money card abilities. A virtual money card can be used on the internet and on the telephone like a credit card, and can change hands like cash money. The virtual money card has the limitation of amount of money which is very much like a money bill on which the amount of money is always written. Combining these abilities makes the virtual money card very useful.

The motivation to combine credit card abilities with cash money abilities and further more adding some new abilities to the result of this combination (like transferring money from person to person from a distance), is to create a system for the use of limited used money cards, easily used on the internet and on the telephone, which can also be transferred from person to person like cash money. The motivation to combine these abilities is also to create a new **type** of security level based on limiting the fraud to the card limit, and not just securing the card itself. The concept of the present invention is very easy for the user to understand, therefore it makes him very comfortable using the virtual money card, and reduces the fear of using this card on the internet and on the telephone. Reducing the fear from using the card on the internet and telephone is very desirable and is one of the most important parameters in increasing the volume of internet commerce.

The present invention is **not** the result of combining Grave's in view of Herman in view of Gephart and further in view of Cohen, but it is the combination of some of the regular credit card abilities with the cash money abilities, creating a virtual money card, which can be used on the internet and telephone like a regular credit card, and can change hands like cash money. The present invention also creates a new type of security level based on limiting the fraud to the card limit, which is a very important concept, especially to the eyes of a customer, which knows his exact maximum risk at any time.

Response to points 5-7 – Claims Rejections – 35 USC 112

Claims 1 – 29 have been corrected and attached here.

The specification was corrected. A description, a detailed description of the invention and the claims are corrected in such way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.